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Why Paleo?

The Life and Death of the Old Right

by Murray N. Rothbard

The libertarian movement was once a mighty movement, hardcore but not kooky, part of the mainstream of American ideological and political life. In the 18th and 19th centuries (for example, in the Jeffersonian and Jacksonian movements), libertarians were even the dominant political force in the country. America was, indeed, conceived in liberty. But right now, I'm not going back that far: I'm talking about the origins of the modern 20th-century movement. For various reasons, the Progressive movement had wiped out 19th-century intellectual and political libertarianism, and, by the 1920s, it was reduced to a few vibrant but lone intellectuals such as H.L. Mencken and his friend, Albert Jay Nock.

But then something happened to shock libertarianism back to life—the cataclysmic Great Leap Forward into collectivism hailed as the New Deal. It's a process of historical reaction: a sudden social change will often give rise to a fierce opposition. Opposition to the New Deal was, necessarily, a coalition politics united on a negative: hatred of the socialism of the New Deal. Increasingly gathering into that coalition were the few libertarian or individualist intellectuals, the heritage and the remnants of the old Jeffersonian Democracy left from the days of Grover Cleveland—men such as Senator James A. Reed of Missouri and Governor Albert Ritchie of Maryland, and Republicans, including formerly stalwart statists and Progressives such as Herbert Hoover, who condemned FDR for going much too far.

As the New Deal intensified and was championed by the Democrats, the opposition inevitably coalesced around the Republican Party. It was a strange transformation, since, from its inception in the 1850s, the Republican Party had always been the party of statism and centralized Big Government. Well, life is strange sometimes, and this shift was no stranger than what had happened to the Democrats, during the 19th century the party of minimal government and laissez-faire.

Libertarianism was shocked back into life by the collectivist New Deal.

When Roosevelt dragged America into World War II, the growing opposition, which I have called the "Old Right," shifted its moorings and changed some of its alliances. Some economic free-marketeers, such as Lewis

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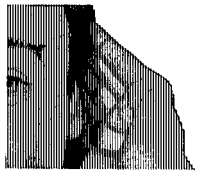

THE EAR

by Sarah Barton

Libertarian Charles Murray was fired by the Manhattan Institute for coming to unfashionable conclusions about black IQs in a new book. Charles then called his old friend Edward H. Crane, head of the Cato Institute, who had tried to recruit him many times. But Ed told Charles to drop dead, for Ed's boss, the billionaire owner of Cato, had long ago decided that unfashionable ideas must never be allowed to threaten access to Power.

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Marshall Fritz, head of the Advocates, would-be franchiser of private schools (?!), and the Movement's Mr. Boisterous, has been arrested. Caught making an illegal exit from a California freeway, he drove off while being ticketed. When the cop pulled him over again, there was an argument (presumably not about the Nolan Chart), and Marshall was arrested, hand-

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(THE EAR cont. from P.1)

cuffed, and jailed for resisting arrest.

After consulting some libertarian legal luminaries, Marshall demanded a jury trial, acted as his own lawyer, and sought "jury nullification." The jury took *eight minutes* to find him guilty, and the judge set bail at $5,000, which Marshall couldn't make. After being jailed again, however, he hired a non-libertarian lawyer and was released. But he still faces a $1,000 fine and 90 days in jail.

Marshall says he was fighting for libertarian principle. Lessons from his "martyrdom": 1) Check your "principles." Do they include messing with traffic regulations or being obnoxious to cops? 2) If you insist on addressing the jury, make darn sure it's not going to consider you a pain in the butt. 3) Most important, *never* consult a libertarian lawyer.

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Andre Marrou snuck Perry Willis, the LP's direct-mail dud, and Alexis Thompson, the LP's telemarketer, into Las Vegas for a meeting, at which he signed them up for his LP presidential campaign. It was kept secret because party employees are supposed to be neutral. Naughty, naughty!

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The Alaska LP, once the strongest in the country, couldn't muster the measly number of signatures necessary to stay on the ballot this year. And the Illinois LP also flopped at getting on the ballot, despite being home to Ballot (de)Access chairman Steve Givot. Early this year, the national LP talked about concentrating on "electable" candidates throughout the country. Name One! •

(WHY PALEO cont. from P.1)

W. Douglas, became ardent prowar New Dealers; while former progressives, mainly Republican, who opposed the war, began to see the deep connection between interventionism and Big Government in domestic as well as foreign policy. As a result, by the end of World War II, the Old Right, largely Republican but still including Jeffersonian Democrats (such as Rep. Samuel Pettingill of Indiana), was consistently libertarian, opposing statism at home and war and intervention abroad.

The Old Right was a strong and vibrant movement, dominant in the Republican party in Congress (especially in the House of Representatives) and constituting roughly the Taft wing of the party. The Old Right was firmly opposed to conscription as well as war or foreign aid, favored free markets and the gold standard, and upheld the rights of private property as opposed to any sort of invasion, including the despotism of coerced integration in the name of "civil rights." The Old Right was socially conservative, middle class, welcoming people who worked for a living or met a payroll, and was the salt of the earth. What the Old Right lacked was not a political mass, but rather an intellectual cadre, and the small but increasing number of hard-core libertarians influenced by Mises and Rand and Nock after World War II provided a growing intellectual foundation for that movement.

The Old Right reached a peak in its last days: for it was virtually the only opposition to the Korean War.

What we have to realize, and we almost have to shake ourselves to believe, is that hard-core libertarians were not considered kooks and crazies; we were treated only as extreme variants of a creed that almost everyone on the Old Right believed: peace, individual liberty, free markets, private property, even the gold standard. And since we were simply consistent upholders of a creed which the entire Old Right believed, we were able, though small in number, to influence and permeate the views of the broad mass of Old Right Americans. It was a happy symbiosis.

That's why, politically, all libertarians, whether minarchists or anarcho-capitalists, were happy to consider ourselves "extreme right-wing Republicans." [The general term for the broader movement was "individualist" or "true liberal" or "rightist"—the word "conservative" was not at all in use before the publication of Russell Kirk's *Conservative Mind* in 1953.]

It was a great time for a libertarian to be politically active. Neither did the Old Right collapse with the onset of the Cold War. On the contrary, the Old Right reached a peak in its last days: for it was virtually the only opposition to the Korean War. [Only the Commu-

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nist Party and I.F. Stone opposed U.S. entry into the Korean War; the entire rest of the Left, including Henry Wallace, supported it in the name of the old interventionist slogan: "collective security against aggression."] Major opponents of the Korean War were such libertarian and Old Right publicists as Garet Garrett and John T. Flynn, F. A. Harper and Leonard E. Read; influential newspapers such as the *Chicago Tribune*; and major political opponents such as Senators Bridges and Wherry and the libertarian Congressman Howard H. Buffett of Omaha.

It was after the Korean War that the Old Right collapsed. The catalyst was the literal theft of the Republican presidential nomination in 1952 from Senator Taft by the Wall Street elite behind Eisenhower; the deaths of Taft and Colonel McCormick, owner of the *Chicago Tribune*; and the capture of the political reins of the Republican Party by the "conservative" New Dealers constituting the Eisenhower movement. Whereas the right-wing Republicans aimed to repeal and abolish the New Deal, the Eisenhower forces aimed at consolidating the New Deal and fastening it permanently upon American life, and in this they succeeded all too well.

But probably the most important reason for the collapse of the Old Right was not external blows, but the loss of its own soul and principles. As the older intellectual and political leaders died or retired, a powerful new force arose in 1955 to fill that vacuum. This new force—people grouped around *National Review*—set out to transform the nature of the American Right, and they succeeded brilliantly. Headed by a brace of shrewd ex-Communists, steeped in Marxist-Leninist cadre organizing tactics, allied to youthful Eastern seaboard Catholics, the New Right determined to crush isolationism, and to remold the right-wing into a crusade to crush Communism all over the world, and particularly in the Soviet Union.

The most important reason for the collapse of the Old Right was not external blows, but the loss of its own soul and principles.

At first, *NR* had a patina of individualism, in order to capture the considerable amount of Old Right libertarian sentiment and wed it to a policy of global war. The Buckley machine founded Young Americans for Freedom as its youthful political arm. The Intercollegiate Society of Individualists for libertarian-minded student intellectuals, and headed by NR publisher Bill Rusher, moved to capture the College Young Republicans, then the YRs nationally, and finally moved to dominate the Republican Party with the Goldwater movement.

Early in this process, moreover, *National Review*, in the late 1950s and early 1960s, moved quickly to read out of the New Right, or "conservative" movement, all "extremists" who would prove an embarrassment in its march to power. And so, in a series of purges, the Birch Society, the Randians, and the libertarians (those who remained isolationists) were ousted from the right wing. *NR* and the New Right were ready to achieve power, which they eventually would attain in the Reagan administration. But the point is that the ideological transformation—into a warmongering and vaguely theocratic movement—was achieved by the early 1960s. The Old Right was dead, and those libertarians who still remembered and cleaved to their principles, were out in the cold.

In the Wilderness

Where were principled libertarians to go? Most of the Old Right libertarians who were still active were co-opted into the Buckleyite New Right, especially by the siren song of my friend Frank Meyer's "fusionism"—the most libertarian wing of the Buckleyite coalition, but which retained the new ferocious pro-war policy intact.

What to do? Politically, I had been active in the Young Republicans from 1946 on, but left the Republican Party in high dudgeon when the Eisenhower forces stole the nomination from Taft. In 1956, I supported the last political gasp of the Old Right, the Andrews-Werdel third party ticket for the presidency, but they were not on the ballot in New York. For years, I became interested in nascent third-party movements on the Right, often attending the first organizing meeting, which turned out to be

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the last. One was a Constitution Party meeting held in some mid-town restaurant owned by a sympathizer.

As these movements fizzled, and the Right became increasingly pro-war, I began to support candidates based mainly on which were more pro-peace. A quirk of fate propelled me into a top spot among organized Stevensonian Democrats. I had not been involved in the three Stevenson races for President (two as nominee in 1952 and 1956, and one for the nomination against Kennedy in 1960), although I had preferred him to Eisenhower on two grounds: (a) as being more pro-peace, and (b) to punish and try to get rid of New Deal Republicans. As time went on, and the New Right grew triumphant, (b) began to fade as an operative motive for me. At any rate, after Kennedy's defeat of Stevenson for the nomination in 1960, I noticed a little ad in the *New York Post* announcing a meeting of a proposed new organization—a Stevenson Pledge movement—demanding that Kennedy pledge to make Adlai Secretary of State or else forfeit our support.

Sounds great, I thought, and I showed up at a small meeting of veteran Stevensonian organizers, which even included the nascent Little Napoleon of Democratic campaign managers, Dave Garth. Dumbfounded that I had a Ph.D., the organizers quickly vaulted me into the No. 2 spot of a new organization: the League of Stevensonian Democrats. The highly intelligent and charismatic leader, John Kuesell, was a young business executive and highly knowledgeable parliamentarian (always useful in political maneuvering); I was chief theoretician for the LSD, vice-chairman, and head of the national and international issues committee.

Ideologically and personally, libertarians were soon to become isolated and stranded.

The Stevenson Pledge campaign naturally failed, and, after exerting maximum noise against the Kennedy people, we beat a strategic retreat, in return for which we were granted proprietorship over the main Kennedy store in Times Square, where right-wing libertarian friends of mine were confused to see me hawking Kennedy buttons. That was the farthest extent of our political patronage, however; after the Kennedy election, the LSD fell apart, and our Maximum Leader, Kuesell, moved upstate to rise up the corporate ladder. For many, it seemed like light years from "extreme right-wing Republican" to "leftish Democrat," but to me, opposition to war, as mass murder and as the health of the State, had been uppermost, and I was convinced that the Right had abandoned libertarians and not the other way around.

The most interesting incident of my months as an LSD activist came during the campaign. I wrote a letter to the *Wall Street Journal* urging right-wing Republicans to smash the New Deal by dumping Eisenhower and perhaps taking back the Republican Party. Reading the article, Kuesell was outraged and ready to expel me, and I was called on the carpet. "What is this?" he asked, "are you a right-wing spy?"

We have to remember that this was a period when no one, I mean *no one*, had ever heard the word "libertarian." It was not the relative household word that it is now. In fact, the first time the word "libertarian" had ever been mentioned outside of our tiny movement had been in a chapter "God and the 'Libertarians'" in a book *Apostles of Discord* (Beacon Press, 1953), by a professional "anti-extremist" (there were a lot in those days) attacking "extremism" rampant in the Protestant churches; that is, Commies and right-wingers, equally evil. Particularly under fire were two genuinely libertarian periodicals, *Faith and Freedom* and *Christian Economics*.

Confronted by Kuesell, I was not at all upset (after all, being a big shot in the League of Stevensonian Democrats was not exactly my life work). But I figured I owed him, as my mentor in the organization, an explanation. So I started in on what I figured would be an hour lecture: "Well, you see, I'm a 'libertarian.'" Immediately, Kuesell interrupted. No one could ever accuse him of being slow on his feet, but I was still dumbfounded. "Say no more," he said, "I'm a libertarian, too." Then he showed me an article he had written as head of some libertarian group in high school, entitled *Quo Warranto?* [by what right] hurled at the government. From then on, I continued happily as No. 2 man in the organization. [Where are you now, John Kuesell? The nation needs you.]

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Ideologically and personally, libertarians were soon to become isolated and stranded. Libertarians were either dying off or becoming co-opted into the pro-war New Right. Ever since the early 1950s, I had been privileged to work for a magnificent, now long-forgotten organization—the William Volker Fund—which singlehandedly sought out, revived, and nurtured conservative and libertarian scholars, gave them grants to work on projects, organized conferences to meet with each other and discuss common concerns, and, in 1960, published those scholarly books and collections of articles that were unable to find a publisher in an intellectual atmosphere dominated by left-liberalism.

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I wrote *Man, Economy, and State* and *Power and Market* on a grant from the Volker Fund (as well as getting launched on *Ethics of Liberty*). Just on the brink of transferring its assets to endow a libertarian think-tank, the Volker Fund tragically collapsed in the winter of 1962, and the libertarian movement has never yet recovered from this terrible blow. For despite the strides made since, we have never attained the status of having a fully endowed libertarian think tank to sponsor, advance, and publish scholarship.

Some day the full story of the rise and fall of the Volker Fund should be told; suffice it to say that part of the collapse reflected the crisis in the broader movement: that is, the dramatic shift from Old Right to New, and the consequent sundering of the old, harmonious joint conservative-libertarian movement that had flourished from the mid-1930s through the mid-1950s.

As a full-time analyst for the Volker Fund, I was on the beach; one of the Volker stalwarts then secured me a multi-year grant for what became my four-volume *Conceived in Liberty*. After that, in the mid-1960s, I moved into academia.

Politically, the capture of the Republican Party in 1964 by the *National Review*-dominated Goldwater movement was for me (and for the remnant of Old Rightists such as Felix Morley) a nightmare, and I did the best I could within the embryonic libertarian movement to denounce the Goldwater movement as presenting a grave threat of nuclear war. I wrote an article blasting Goldwater for *The Innovator*, a California newsletter that served as one of the few libertarian periodicals at the time. I also spoke before a group of Chodorovian libertarian Georgists, who were philosophically opposed to voting and had not cast their ballots in years. What I accomplished was a fierce argument, with elderly Chodorovians brandishing their canes in my direction and declaiming: "Young man, I haven't voted in thirty years, but after hearing you tonight I'm going out and voting for Barry Goldwater."

I was particularly concerned to set forth my views on a libertarian foreign policy, but there were then virtually no outlets for long libertarian articles. My theoretical defense of an isolationist foreign policy, "War, Peace, and the State," was published in 1963, in a short-lived University of Kansas libertarian student magazine, *The Standard*, and my sounding the alarm at the "Transformation of the American Right" could only be published in an obscure, now-forgotten pro-peace Catholic journal, *Continuum*.

Soon, however, conditions were to change, as the intensification of the Vietnam War led me to sound the call for an alliance with the emergent New Left on the war and the draft. The New Left phase of the modern libertarian movement was about to begin. (N.B: this is the second part of a multi-part article.) •

"Free-Market" Environmentalists

by M.N.R.

Free-market economists tend to scorn moral arguments, and to stick to strictly economic arguments in public policy. They contend that "moral arguments never convince anyone," whereas utilitarian, economic arguments are persuasive in converting others. And yet, no one has ever done an effective study of what sort of arguments convince or convert people, and there is certainly no evidence that moral arguments have no persuasive power. On the contrary, people

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are being converted by moral arguments all the time.

Not only that: there is a great difference in the *intensity* of the typical convert on moral as against utilitarian grounds. The person convinced by an economic argument may well say: OK, you're right, and then go, unconcerned, about his business. Whereas the person convinced by a moral argument is apt to be swayed by passionate conviction, and dedicate himself to the cause. Moral convictions are therefore far more powerful and have a great deal more leverage than solely economic ones.

Some of the economists who tend to make such arguments are that strange breed known as "free-market environmentalists." These people, for example, have upbraided Lew Rockwell, now known far and wide as "Mr. Anti-Earth Day," for making moral and philosophical as well as strictly economic points against environmentalists. "You can never convince environmentalists that way," they say. "You must show them that the free market and private property can satisfy their goals (e.g. saving the turtle or the spotted owl) more efficiently than state action."

The problem is that environmentalists are not really interested in efficiency or preserving private property. This will be a shock to professional utilitarians, but environmentalists don't *have* the same goals as the rest of us. For all their blather about the importance of being nice to environmentalists and of avoiding moral critiques, our "free-market environmentalists," as one of them admitted to me ruefully the other day, have made almost no headway among other environmentalists. Their vaunted programs are going down the tubes.

The reason is brutally simple. The environmentalists are prisoners and acolytes of a monstrous, literally anti-human philosophy. They despise and condemn the human race, which by its very nature and in contrast to other creatures, changes and transforms the environment instead of being passively subjected to it. Man is the blight of nature, the monster in the great chain of being. He must either be destroyed or drastically crippled. Palaver about cost-benefit analysis is not going to do any good; it will not convince environmentalists, and it misses the point. The point is not to convert the Jeremy Rifkins and the Ingrid Newkirks of the world; the point is to alert the bulk of sane humanity to the grave danger that these people present. The environmentalists must be seen as the enemy incarnate that they are.

Interestingly enough, one of the most prominent of these free-market environmentalist economists recently revealed the cloven hoof beneath his Mountain Man boots. Dr. John Baden, reporting on a speech I gave this spring at a Rockford Institute/Philadelphia Society meeting in Chicago, lamented that "during the week of Earth Day" (horrors! blasphemy!) I "not only disagreed with but scorned those who believe that elements of the environment have more than instrumental value." After dubbing me the "intellectual analog" to the "infamous" James Watt, Baden wonders how the classicists (whom he had mentioned in reporting on another session of the Society) "would deal with the problem of transcendent environmental values." (*Liberty*, July, p. 22).

It's true that I believe Jim Watt got a raw deal. He was in favor of developing at least some natural resources for man's use instead of keeping them locked up forever in behalf of "the environment." As a result, he and several of his colleagues were mercilessly savaged by the powerful environmentalist lobby. But Watt and I are scarcely analogues, and one would think that Baden might be able to grasp this fact. After all, Watt was not in favor of privatizing the government's vast public domain, whereas I, of course, am all in favor of it. (I am opposed, however, to the Badenian policy of limiting resource ownership to private *environmentalist* groups.)

But the interesting point is that John Baden has now dropped the mask of amoral utilitarian economist, and has frankly revealed his true agenda: that he believes that the environment has "transcendental value," whereas I believe that it is only "instrumental" for man's use. OK. But then, of course, John Baden is frankly taking a moral-philosophical, and not simply a utilitarian, stand, and moreover it is a moral-philosophical stand that is simply mystical hooey. To say that trees are "transcendent" means that they have no limits, and I aver that they do indeed have limits and that they are easily delimitable. A tree is a tree is a tree, and besides, in the words of a great statesman, "once you've seen one tree, you've seen them all."

More and more I have come to the conclusion that the phrase "free-market environmentalist" is an oxymoron. Scratch one of them and you get...an environmentalist. •

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The Hobbled Space Telescope

by Llewellyn H. Rockwell

Unlike many Americans, I've never been inspired by NASA. That's taxpayers' money spewing out of those rockets, and launching bleary-eyed telescopes. NASA has an all-American reputation, but it's really just a bureaucracy with good PR, HUD with a Hollywood press agent. And its latest fiasco, the Hubble Space Cataract, shows us exactly why. Whether in Moscow or Washington, bureaucrats are incapable of making economically rational decisions. All decisions are political, and must be, since bureaucracies lack profit-and-loss discipline.

The Hubble was designed in the 1970s for a geosynchronous or "stationary" earth orbit at 22,000 miles. But that would have meant using an unmanned rocket, and to keep public interest high and the budget fat after the post-Apollo letdown, NASA wanted a manned program. The result was the space shuttle, justified in part as a delivery vehicle for the Hubble and similar projects. (And the cost of the Hubble was in turn justified by the ease of servicing it from the "cheap, reliable" shuttle.)

But the shuttle could only put the Hubble 381 miles up, and at this low orbit, the earth itself is a barrier to observation on every 90-minute rotation. The need to retarget the telescope every time the earth passes by, and the electronic burnout that would be caused by looking at the sun, moon, or earth for even a moment, meant super-complicated computer software.

NASA blames poorly made mirrors for the Hubble's myopia, but it could be the software, which had more bugs than a New York City apartment. Or it could be old age. The Hubble was finished seven years ago, and it had been in storage in Sunnyvale, California, ever since, waiting for a shuttle. Complicated electronic equipment can go out of whack waiting in a warehouse.

NASA has an all-American reputation, but it's really just a bureaucracy with good PR, HUD with a Hollywood press agent.

The space shuttle never lived up to NASA's promise of quick turnaround trips, of course. After the *Challenger* explosion and its seven bureaucracides, the program slowed further, and now all the shuttles are grounded because of fuel leaks, making NASA's promise of a quick Hubble fix even less believable.

The Hubble, we were told, could read the date of a dime on the Empire State building. That's nice, but why should the American people be forced to pay for it? On a micro level, why should a single mother working two jobs in Atlanta be taxed to give well-paid scientists in Berkeley a better view of distant galaxies?

Universities, foundations, museums, research institutes, the interested public, and astronomers themselves should pay for telescopes, including the Hubble. If they can't raise the money, they'll get the market message that it shouldn't be built. NASA, of course, operates under no such constraints. It's socialism in a spacesuit, which makes no more sense than the East German economy.

John F. Kennedy, the presidential satyr who started the space race (and the Vietnam War), said NASA was essential to our national prestige. But that's nonsense. NASA exists for the *government's* prestige, which is a very different thing.

George Bush, who says he has to raise our taxes because things are so tight in Washington, wants a gazillion-dollar manned voyage to Mars under the direction of Dan Quayle. That alone ought to make us reevaluate the program.

For too long, the government has misallocated scientific and technological talent into antiproductive military and space areas. At a time when even the head of the Soviet Communist Party won't defend socialism, we should start desocializing this country. NASA is a great place to start. •

The Clean Air Ruse

by L.H.R.

The U.S. government is dedicated to transferring wealth from the people to itself and its special-interest friends. Ludwig von Mises called this a "caste conflict," in

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contradistinction to Karl Marx's class conflict. There can be no class conflict inherent in society, Mises showed, since the free market harmonizes all economic interests. But in a system of government privileges and subsidies, there must be a struggle between the caste that lives off the government and the rest of us.

In the late 1970s, Jimmy Carter bleated about the energy crisis and promised the American people that he would punish big oil with a "windfall profits tax." But the lobbyists who pushed for the tax were from Exxon, Mobil, Gulf, and the other big oil companies. There was no windfall profits tax in Saudi Arabia—only in the U.S. The tax, as intended, aided the big companies that imported oil by punishing their competitors, the smaller independent U.S. producers.

In the ensuing restructuring of the industry, also caused by the Department of Energy's price and allocation regulations, the Establishment firms bought up domestic capacity at fire-sale prices, and then the Reagan administration repealed the windfall profits tax and the price and allocation regulations.

(In fact, we can think of the Nixon-Carter energy crisis as deliberately serving this purpose, as well as enriching a beloved U.S. military satrap, the Shah of Iran. "The King of Kings," as he styled himself, was the son of an Iranian army sergeant. With CIA help, he overthrew an elected prime minister and fastened a kleptocracy on his country that would make Marcos blush. To keep it fastened, he established a CIA-trained secret police called the Savak, a sort of Persian Securitate.

(The Shah committed theft and tyranny on an imperial scale. Just one example: when he inflated the money supply to reward himself and his family and hangers-on, he enacted price and wage controls with teeth. If a merchant were caught charging more than the official price, he was taken into the public square and crippled by having all the flesh whipped off the soles of his feet. American commentators wondered why small businessmen supported Khomeini. This was just one of the reasons, along with the Khomeinites' relatively free-market policies.)

In our own interventionist state, just one regulation in *The Federal Register* can mean billions of dollars for a favored firm or industry, and disaster for its competitors. That's why lobbyists cluster around Capitol Hill, as Gary Allen put it, "like flies around a garbage can."

Nixon—the George Bush of his day—founded such regulatory agencies as the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA), whose budget is larded with construction contracts for politically connected businessmen, in addition to its regulations, and which Bush plans to elevate into a Department of Environmental Affairs.

Environmentalism got its political start under the prototypical Establishment Republican, Theodore Roosevelt. When TR established the national park system, and took millions of acres out of production, he made other land—especially that held by the timber and railroad interests associated with his mentor, J.P. Morgan—much more valuable. It was a tremendous transfer of wealth.

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In this tradition is the Bush administration's Clean Air Act of 1990, which gives the EPA dictatorial power over every American business whose products are toxic if burned. Since almost everything is toxic if burned, this means Green central planning, that will be used to reward the interests associated with the Bush administration and Congressional Democrats.

The bill subsidizes expensive, inefficient, and sometimes dangerous "alternative fuels," to the immense benefit of billionaire Dwayne Andreas, mentor to Sen. Bob Dole (R-IRS), and orders auto manufacturers to produce cars to run on them, at a very high price to consumers. It also mandates higher CAFE standards (fleet-wide economy regulations) that will give us lighter and therefore more dangerous

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automobiles. All other things being equal, the heavier the car, the safer it is in a crash. Present CAFE regulations have caused thousands of deaths in the kiddie cars Washington has designed for us.

The bill places new and heavy regulations on small business, in the OSHA tradition. (OSHA is the quintessential Establishment regulatory agency, since it targets small and medium business "abuses." Somehow, it never gets around to the Exxons.) Under the Clean Air Act, any business using one of 200 common chemicals will have to undergo a lengthy and expensive licensing process. This includes the corner dry cleaner and print shop. And if the owner violates a regulation, even unknowingly, he will be subjected to heavy civil and even criminal penalties.

If a business gets new equipment, it will need an expensive and time-consuming new permit—another bar to innovation for small companies. And if a factory changes its production method, it too will need a new permit. This is no problem for Dow Chemical, only for Dow's would-be competitors.

As bad as these provisions are, the most serious and expensive involves "acid rain," which sounds like it would eat through your umbrella. In fact, it only turns the litmus paper a different color.

The environmentalists tell us that northeastern lakes are becoming dangerously acidic, and that the villain is electricity generation. But the government's own ten-year, $600 million National Acidic Precipitation Assessment Project—which the EPA is seeking to stifle—shows that acid rain is a non-problem.

Virtually all of the few acidic lakes have been that way since before the Industrial Revolution, thanks to water running into them from topsoil heavy in decaying vegetation. That's why naturalist Alexander von Humboldt found the Rio Negro river system in South America acidic and fishless *200 years ago*.

Ironically, the fish population of certain Adirondack lakes has been cut by reforestation. "Slash and burn" tree harvesting in the early part of the century led to less acidic soil, and therefore a more neutral pH in the water. Replanting since then has meant more acid, and fewer fish.

The other major focus of the Clean Air Act is the ozone layer. We're told the ozone layer protects us from ultra-violet B radiation, but that certain chemicals "eat" it. But since 1974, when scientists began measuring the UVB radiation level, it has *declined* 10%.

Ozone is created by the action of sunshine on oxygen, so over the South Pole in the winter, when there is little sunshine, the ozone layer thins and even develops a temporary hole. But this was first recorded in 1956, long before the chemical "villains" were in significant use.

Ozone is harmed, we're told, by the chlorofluorocarbons used in air conditioners, refrigerators, propellants, and semiconductor manufacturing. Stable and non-toxic, CFCs cannot catch fire, and they are tremendously energy efficient. Yet the Clean Air Act will heavily tax and eventually ban all CFCs and related chemicals. And the substitutes are not only poisonous and energy inefficient, they can even catch fire and blow up. The exploding refrigerator: it seems a perfect symbol of what the environmental movement has in mind for us.

But ozone is only good high up. At street level in L.A., it's bad, so the entire country will be fastened with more anti-automotive and anti-industrial controls.

The Clean Air Act will also have the EPA issue pollution permits to present polluters, which they can sell, thereby rewarding entrenched industries and adding an additional cost for new businesses.

This legislation could cost $300 billion, but the environmentalists want it to be expensive. They want to make us poorer, to force us to consume less, so the meanest bug or weed can take precedence over humans. •

Lab Rats on Crack

by L.H.R.

Although the War on Drugs reproduces all the bad effects of Prohibition, private research on illegal drugs makes scientific and moral sense. The more we know about the effects of pot, crack, ice, etc., the better. My guess is that the truth lies about half way between William Bennett and Timothy Leary, but I'd like to know. And animals are necessary for this research, but the animal-rights movement wants to ban their use in all medical research.

If these loons just wanted to wear plastic shoes, eat bean sprouts, and visit the Tomb of the Unknown Dog in Maryland (such

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a place exists), who would care? But they want to force the rest of us to dance to their fevered tune by outlawing any use of animals in food, clothing, or research.

It is morally wrong to use cows for meat and leather, says the powerful People for the Ethical Treatment of Animals (PETA), or even for milk and cheese. Nor must we eat fish, chicken, or snails. Also on PETA's index of forbidden products: goosedown pillows, wool suits, and silk blouses, for geese are plucked, sheep are sometimes nicked when sheared, and the occasional silkworm is boiled to death, poor baby.

Eating fried clams makes you Charlie Manson.

Congress, at the behest of animal-rights lobbyists, has already made medical research much more expensive. One amendment from then-Sen. John Melcher (D-MT) requires researchers to protect the "psychological well-being" of monkeys (whom Congressmen must feel close to) at a cost of $1 billion.

Rep. Bob Dornan (R-Lockheed), who has never minded bombing humans, goes further. He wants to outlaw animal research. Although named Legislator of the Year by PETA, however, Dornan says he "still wears leather shoes."

There is "no rational basis for saying that a human being has special rights," says Ingrid Newkirk, director of PETA. "The smallest form of life, even an ant or a clam, is equal to a human being." The "murder of animals," adds PETA chairman Alex Pacheco, is no different from the "murder of men." So eating fried clams makes you Charlie Manson.

Animal terrorists have killed a veterinary school dean, bombed medical research labs, and stolen medical records. Now they're threatening drug researchers who use animals. This is a crisis, a PETA staffer told me: "There is a holocaust of lab rats."

You might think that these people were smoking crack and not the lab rats. There is no reasoning with them. Those who hold rats higher than humans must simply be exposed and fought. •

Give a Hoot

by L.H.R.

Recently I visited a logging area of northern California, and found no environmentalists. As the Sierra Club's own surveys demonstrate, environmentalists are upper-class types who live in places like Manhattan and Malibu, not in the woods. Those who do have no illusions about the Earth Goddess Gaia.

Loggers instinctively know that our very existence depends on bending nature to our will. If we ever stop doing so, the jungle will reclaim our cities. (Of course, this is already happening thanks to certain other policies.)

The livelihoods of 30,000 working families in the Northwest will be destroyed by new federal anti-logging regulations, so 2,000 spotted owls can continue to live in the style to which they have become accustomed. If you think that wiping out 15 human families per owl seems excessive, it just shows how unenlightened you are.

(Note: if the spotted owl really is "endangered," and environmentalists want to save it, they should buy land and set up an owl sanctuary. But using their own money somehow never occurs to them.)

Next on the environmentalist agenda: outlawing all "old-growth" logging, a controversy that cuts to the heart of the environmentalist movement (unfortunately not with an axe). Environmentalists admit that the owl was but a useful PR device to serve this larger cause.

Old-growth trees are precious because they were not planted by man, the Great Satan of the enviro-druidic religion. The controversy also shows that pollution questions, although environmentalists make use of them, are just a tactic. The real motive is attacking the human race. Old trees produce much less oxygen than new ones, so according to the hysteria about (non-existent) global warming, caused—we are told—by too much carbon dioxide, we should harvest all the old trees and plant new ones. I don't notice anyone recommending that, however.

Driving through the forests of far northern California, the wooden monotony is broken only by the occasional town, an oasis of civilization in a green desert. Yet the environmentalists would create ghost towns, claiming that loggers have no business living there.

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As a souvenir of my trip, I bought a logger t-shirt. Now I'm looking for an Audubon Society meeting to wear it to. The shirt reads: "I Love Spotted Owls. Fried." •

Liberty Hype

by Joe Melton

The Joe Melton Annual Award for Creative Advertising goes easily to Big Bill Bradford, editor and publisher of *Liberty* magazine. Since Murray Rothbard left the staff of *Liberty* early this year, Bill could no longer use Rothbard's name to endorse the magazine or to hype Rothbard's articles for future issues. What to do? Big Bill found a truly creative solution. His ad in *Reason* now heralds, for a coming issue, MURRAY ROTHBARD, which turns out to be a comprehensive critique of Rothbard by some guy only his mother has ever heard of. Way to go, Bill! I suggest that for this next ad, he do something like this:

IN THE NEXT ISSUE!

MILTON FRIEDMAN!!
F.A. HAYEK!!
ROBERT NOZICK!!

And then, way down below:
a comprehensive critique, by Ken Slivovitz.

You're welcome for the idea, Bill. This one's on me.

Actually, Bradford is also way ahead for the runner-up. His previous creative idea was to advertise, in house in *Liberty*, an Editor's Conference to be held in some Seattle hotel on Labor Day weekend. Haven't *you* always wanted to attend an editors' conference and pay 170 smackers plus expenses to hear such celebrities as William P. Molton, Tim Virkkala, Ross Overbeek, Brad Doherty, Ethan O. Waters, and Big Bill himself kick it around? In the next month's ad, a note of desperation crept in. Now there were *pictures* of these guys, and we are told that those who attend can interrupt at will and even hold their *own* seminars!

Hey, Bill, why don't you get really jazzy and hold a "Who Is Ethan O. Waters?" contest with the winner getting to throw a pie in "Ethan's" puss? That might bring them in. Of course, you can beef up attendance by offering to *pay* people 170 smackers each to come, but somehow I think it will be a cold day in Hell before *that* happens. •

Joe Melton lives in North America and is a long-time observer of the advertising scene.

Who Controls the Fed?

by L.H.R.

The Federal Reserve System controls the value of our dollar. But who controls the Fed? It claims to be an independent agency, but when former Fed chairman Arthur Burns was asked—by a German reporter—why he didn't oppose Richard Nixon's demand for more inflation before the 1972 election, Burns answered: "The Fed has to do what the White House says. Otherwise we'd lose our independence."

Steve Axilrod, then *the* top Fed staffer and now a big wheel on Wall Street, once told me that was the "most damaging statement ever made by a former Fed official." Damaging in political terms, of course, since Burns told the truth.

When George Bush talks, Alan Greenspan listens. And the Con-

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gress, which created the Fed, has tremendous influence as well. But what about the big banks? In the debates over the Fed's creation in 1913, many Americans worried about big-bank influence, especially since the original legislation had the Fed's governing board appointed directly by the banking industry.

We hear demands for more inflation from the organized housing industry, the agricultural industry, the automobile industry, and many others. But seldom do bankers speak out. How do they make their views known?

Writing in the *Journal of Money, Credit, and Banking*, economist Thomas Havrilesky of Duke University says the answer is the Fed's Federal Advisory Council.

The Council, created after the passage of the Federal Reserve Act in 1913, is composed of one big banker from each of the twelve Federal Reserve regions. From New York, for example, it's the president of the Chase Manhattan Bank. From California, it's the president of Wells Fargo. Four times a year, the Council meets to advise the Federal Reserve's Board of Governors.

The Fed has always downplayed the significance of the Council, and refused to release its recommendations. So Havrilesky filed a Freedom of Information Request, and the results are fascinating. In the period he examined, 1973-1985, the Council's advise almost perfectly predicts Fed actions.

The Fed refused to release data on the meeting in late 1978, however, when the dollar was in danger of crashing. This was when the ouster of G. William Miller as Fed chairman and his replacement by former Chase official Paul Volcker, as well as the policies Volcker should follow, were discussed.

Why should the Fed be allowed to hide this information? The people have a right to privacy. The government does not. Here, as usual, data is classified to hide it from us.

Outside of yet another demonstration of the State-big bank alliance against the people, two points occur to me: Are the big banks able to make investment decisions based on what has to be the most inside of inside information? Also, the Fed regulates the banking industry. What are the regulated doing meeting secretly with the regulators every three months? In any other industry, this would cause a scandal. But not with the banksters, who have been systematically ripping the American people off since 1913, thanks to the Fed.

Ludwig von Mises, writing in 1912, demonstrated that a central bank like the Fed would cause not only inflation, but a business cycle of booms and busts. Since the Fed was founded at the J.P. Morgan-John D. Rockefeller, Jr., private club on Jekyll Island, Georgia, our currency has lost 99% of its purchasing power, and we have suffered from recessions and depressions. We're in the beginning stages of yet another serious recession now -- all to enrich the government and the banks at our expense. Only a gold standard, Mises showed, could prevent these depredations.

There is only one solution: abolish the Fed, and establish a gold standard. Justice, and economic law, demand nothing less. ●

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